

PREPARED FOOD & BEVERAGE TAX INFORMATION

What is the Prepared Food and Beverage Tax? Commonly referred to as a meals tax, this is a tax levied on the purchaser of all prepared food and beverages served in and from any food establishment as defined in the Salem City Code Sec. 82-101, whether intended to be consumed on the seller's premises or not. For the purpose of this tax "Food" shall be defined as any and all edible refreshment or nourishment, including alcoholic beverages, with the exception of prepackaged snack foods and unopened canned or bottled drinks not included with a meal which shall be exempt from taxation. Sellers may not relieve the customer of payment of this tax.

Who collects the Prepared Food and Beverage Tax? All sellers of prepared foods must collect the tax from the consumer when the charge for the food and beverage is paid. The tax is to be collected whether the customer pays the tax in cash or credit card. The seller shall add the tax to the gross amount and collect the total from the customer.

Due Date: Payment must be postmarked by the 30th day of the month following the month in which the tax is collected to avoid penalties. Payments postmarked on or before the 20th of the month following the month the tax is collected may take a discount of 3% of the tax amount.

Tax Rate: Six Percent (6%) of the gross amount paid for any prepared food or beverage as defined in Salem City Code 82-101.

Penalties for Late Filing: A penalty in the amount of ten percent (10%) of the tax amount due will be added for the first month the taxes are past due, and five percent (5%) for each month thereafter, up to a maximum of twenty-five percent (25%) of the taxes collected but not remitted or \$10 whichever is greater provided the amount of the penalty does not exceed the amount of the tax. Interest will also accrue monthly, beginning once the filing is 30 days delinquent, at a rate of 10% per year.

Failure to Pay or Violation of Code: Any person violating or failing to comply with any provision of the Code governing this tax, shall be guilty of a Class 3 Misdemeanor. Conviction of such violation shall not relieve such person from the payment, collection, or remittance of the Admissions Tax. Collecting, but failing to remit this tax shall constitute embezzlement per 18.2-111 of the Code of Virginia.

Monthly Remittance Procedures: Please remit tax accompanied by the [Meals tax remittance form](#) to:

Commissioner of the Revenue
P O Box 0869
Salem, VA 24153